

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-05 L-02

NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02 SS-15

USIA-06 EB-07 COME-00 TRSE-00 FRB-01 CIEP-01 SIL-01

LAB-01 /066 W

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R 261533Z NOV 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 6040

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

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AMCONSUL BELFAST

AMCONSUL EDINBURGH

AMCONSUL LIVERPOOL

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E.O. 11652: N/A

TAGS: ELAB, UK, PINT

SUBJECT: A TRADE UNION PRO-MARKETEER -- A VIEW FROM
THE OTHER SIDE

REF: LONDON 15228

1. BEGIN SUMMARY: ROY GRANTHAM, A MEMBER OF THE TUC
GENERAL COUNCIL -- AND A CONVINCED "PRO-MARKETEER" --
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SAID HE "WAS RATHER OPTIMISTIC" ABOUT THE BRITISH RE-

MAINING IN THE COMMUNITY. HIS VIEWS WERE IN SHARP CONTRAST TO THOSE EXPRESSED BY CLIVE JENKINS (REFTEL). GRANTHAM, SPEAKING TO LONDON-BASED LABATTS ON NOV. 22, BASED HIS POSITION ON THE ASSUMPTION THAT A REFERENDUM WILL BE HELD ON THE ISSUE AND THAT THE LABOR GOVERNMENT WILL MAKE AN AFFIRMATIVE DECISION TO REMAIN IN THE EC. IN A SEPARATE CONVERSATION, JACK JONES MADE IT CLEAR THAT HIS ANTI-MARKET POSITION HAS NOT CHANGED. END SUMMARY

2. GRANTHAM BELIEVES THAT THE LABOR PARTY CONFERENCE THIS WEEK WILL BE ESSENTIALLY A JOCKEYING FOR POSITION BY THE ANTIS AND THE PROS, BUT THAT THE REAL DECISION WILL BE MADE BY PRIME MINISTER WILSON AND THE PARLIAMENTARY LABOR PARTY. GRANTHAM IS CONFIDENT THAT A REFERENDUM WILL BE HELD -- WHICH HE SAID HE WELCOMED -- AND WHICH, HE PREDICTED, WILL PASS BY A 40 TO 50 VOTE IN PARLIAMENT (INCLUDING ALMOST ALL OF THE LABOR PARTY, THE SCOTTISH AND WELSH NATIONALISTS, THE ULSTER UNIONISTS, THE SDLP, AND SOME LIBERALS, AND WITH THE "TORIES NOT SERIOUSLY OPPOSING IT.") GRANTHAM FURTHER ASSUMES THAT THE GOVERNMENT WILL HAVE PRESENTED THE END RESULT OF THE NEGOTIATIONS IN SUCH A WAY AS TO MAKE IT CLEAR IT BELIEVES IT WOULD BE BETTER TO STAY IN THAN REMAIN OUT -- ALTHOUGH HE DID NOT SUGGEST WHAT HE THINKS MAY BE THE MECHANICS OF SUCH A PRESENTATION.

2. HE SAID: "AT THE END OF THE DAY, WHAT WILL BE DECISIVE IS NOT WHAT THE UNIONS THINK BUT WHAT THE PEOPLE DECIDE." HE ACKNOWLEDGED THAT IT WILL UNDOUBTEDLY HELP THE ANTI-MARKET POSITION IF THE UNIONS WERE TO COME DOWN OVERWHELMINGLY AGAINST CONTINUED MEMBERSHIP ALTHOUGH HE DISPUTES JENKINS' ASSESSMENT OF OVERWHELMING TRADE UNION ANTIPATHY TO THE COMMUNITY. GRANTHAM EMPHASIZED, HOWEVER, THAT EVEN IN A GENERAL ELECTION THE LABOR PARTY CANNOT "GET OUT THE FULL UNION VOTE" AND "THEY ARE FAR LESS LIKELY TO DO SO IN A REFERENDUM." MOREOVER, HE ADDED, IF WILSON MAKES IT CLEAR HE BELIEVES THE BRITISH SHOULD STAY IN THE EC, THIS WILL HAVE A MARKED EFFECT ON MANY TRADE UNION VOTERS AND CERTAINLY ON MANY TRADE LIMITED OFFICIAL USE

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UNION LEADERS.

3. IN ASSESSING THE UNION POSITION, GRANTHAM SAW LITTLE LIKELIHOOD OF A SWITCH BY JACK JONES, ALTHOUGH HE ACKNOWLEDGED THAT JONES HAD MADE A GREAT SHIFT TO THE RIGHT ON DOMESTIC MATTERS. "AFTER ALL," HE SAID, "JONES HAS BEEN A LEADER OF THE ANTI-MARKET MOVEMENT AND IT WOULD INVOLVE A VERY GREAT LOSS OF FACE FOR HIM TO SHIFT

NOW, EVEN IF HE WANTED TO DO SO." (IN A SEPARATE CON-
VERSATION WITH SENATOR MCGOVERN ON NOVEMBER 21, JONES
INDICATED THAT HIS UNION, THE TRANSPORT AND GENERAL
WORKERS UNION (TGWU) WOULD BE INTRODUCING A RESOLUTION
AT THE LABOR PARTY CONFERENCE WHICH CALLS FOR SPECIFIC
REFERENDUM LEGISLATION - ALTHOUGH JONES HIMSELF WILL BE
ABSENT SINCE HE PLANNED TO GO TO CHILE AS A MEMBER OF
AN ITF DELEGATION.) JONES SAID HE FAVORS A SPECIAL LABOR
PARTY CONFERENCE ON THE EC MEMBERSHIP ISSUE, ALTHOUGH
THIS WAS NOT PART OF THE TGWU RESOLUTION. IN TERMS OF
THE END-RESULTS OF THE NEGOTIATIONS, HE SAID THAT WHILE
THE CAP "MIGHT BE MODIFIED" AND "THEY MIGHT GIVE A LITTLE
ON THE BUDGET" THE NEGOTIATIONS DID NOT DEAL WITH THE

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FUNDAMENTAL PROBLEM OF "SOVEREIGNTY AND COMPETENCE AS DEFINED BY THE ROME TREATY." JONES ALSO SAID THAT A SPECIAL PARTY CONFERENCE IS LIKELY TO OPPOSE CONTINUED MEMBERSHIP. HE IMPLIED THAT THE GOVERNMENT SHOULD REMAIN NEUTRAL, WHILE SUGGESTING THAT INDIVIDUAL MEMBERS OF THE CABINET COULD STATE THEIR OWN VIEWS.

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4. WHILE GRANTHAM PLACED FAR LESS EMPHASIS ON THE IMPORTANCE OF THE TRADE UNION POSITION THAN DID JENKINS, HE CERTAINLY DID NOT DISCOUNT IT. AS THE MOST ARTICULATE PRO-MARKET MEMBER OF THE TUC GENERAL COUNCIL GRANTHAM NATURALLY LOOKED AT THE TUC LEADERSHIP POSITION FROM THE OTHER SIDE OF CLIVE JENKINS' TELESCOPE. HE THOUGHT THAT ABOUT 18 MEMBERS OF THE TUC GENERAL COUNCIL - NEARLY HALF OF THEM - WERE IN FACT FAVORABLE TO BRITISH MEMBERSHIP. AMONG THESE, HE PLACED THE FOLLOWING AS EITHER FOR CONTINUED MEMBERSHIP OR SYMPATHETIC TO THE IDEA: LORD ALLEN (SHOP AND DISTRIBUTIVE WORKERS); INIR SIDNEY GREENE (NATIONAL UNION OF RAILWAYMEN); F.F. JARVIS (TEACHERS); G.A. DRAIN (NATIONAL AND LOCAL GOVERNMENT OFFICERS); SIR DAI DAVIES (STEELWORKERS); JOHN BOYD (ENGINEERS); FRANK CHAPPLE (ELECTRICIANS); LAWRENCE DALY (MINERS); A.M. DONNET AND J.F. ECCLES (GENERAL AND MUNICIPAL WORKERS); TOM JACKSON (POST OFFICE WORKERS), AND J. MACGOUGAN (TAILORS AND GARMENT WORKERS). (GRANTHAM ACKNOWLEDGED, HOWEVER, THAT IN CERTAIN OF THESE CASES EVEN IF THE INDIVIDUAL LEADER WAS FOR CONTINUED MEMBERSHIP, HIS UNION MIGHT BE OPPOSED.)

5. HE PLACED IN THE ANTI-MARKET COLUMN IN ADDITION TO JACK JONES AND CLIVE JENKINS THE FOLLOWING: C.D. GRIEVE (TOBACCO WORKERS); J.H. SLATER (SEAMEN); A.L. SAPPER (CINEMATOGRAPHERS); C.M. PATTERSON, C.H. URWIN, AND S. PEMBERTON (TRANSPORT AND GENERAL WORKERS); D.MCGARVEY (BOILERMAKERS); R.W. BRIGINSHAW (PRINTERS); KEN GILL (ENGINEERS). (HE SAID SCANLON (ENGINEERS) WAS "INDIFFERENT" TO THE ISSUE, ALTHOUGH HIS UNION OPPOSED EC MEMBERSHIP; AND AS FOR JOE GORMLEY (MINEWORKERS) HE ASKED, RHETORICALLY, "WHAT IS HE FOR, ANYWAY?")

6. COMMENT: IT MAY VERY WELL BE THAT LIKE JENKINS, GRANTHAM EXAGGERATES IN HIS OWN DIRECTION. FACED WITH THE GENERAL STATED TUC POSITION OF "CONTINUED OPPOSITION" TO THE EC, IT IS NOT UNNATURAL FOR HIM TO DOWNPLAY THE ROLE OF THE TRADE UNIONS IN THE EQUATION.

7. NORA BELOFF, WRITING IN THE "SUNDAY OBSERVER," NOVEMBER 24, WOULD AGREE WITH GRANTHAM THAT THE LABOR LIMITED OFFICIAL USE

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PARTY CONFERENCE THIS WEEK IS "NO MORE THAN A TRIAL RUN FOR THE REAL STRUGGLES TO COME LATER -- MOST PROBABLY OVER EUROPE AND WAGES." HOWEVER, SHE ADDS THAT "IN AN EFFORT TO REASSERT THEMSELVES NOW THEY ARE BACK IN OFFICE MR. WILSON AND HIS SENIOR COLLEAGUES RELY HEAVILY ON A SMALL NUMBER OF KEY TRADE UNION LEADERS." SHE INCLUDES, OF COURSE, JACK JONES AMONG THIS GROUP AND ADDS THAT HE "HAS NOT GONE SOFT ON THE COMMON MARKET." IF AS MISS BELOFF ALSO NOTES, THE LEFT HAS WON CONTROL OF THE TRADE UNIONS AND THEREFORE OF THE PARTY CONFERENCE, THE ROLE OF THE UNIONS IN THE COMING "BATTLE OF THE COMMON MARKET" CANNOT BE OVERLOOKED.

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